

# **FISCAL NOTE**

## **SB 2985 - HB 2797**

February 5, 1998

**SUMMARY OF BILL:** Increases the Class A donee exclusion for gift tax purposes to match the federal per donee exclusion in each year in which there is an increase. The increase at the federal level will be triggered by an increase in the CPI of five points over the 1997 CPI since the exclusion must increase in increments of \$1,000. The current Class A donee exclusion is \$10,000.

### **ESTIMATED FISCAL IMPACT:**

#### **MINIMAL**

Estimate assumes that this increase is unlikely to occur in the short term, given the current economy and the projected economic environment over the next two to three years.

For informational purposes, if such an increase were to take effect, the per donee exclusion would be \$11,000 and the estimated decrease in state revenues would be approximately \$192,500 (3,500 gift tax claims per year multiplied by the \$55 per donee additional exclusion at the current 5.5% gift tax rate).

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director